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SUBJECT: SERBIA: FRAGILE CALM IN NOVI PAZAR BELIES ENDURING
TENSIONS

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Summary

1. (SBU) The city leadership of Novi Pazar, situated in the heart of Serbia's southwestern predominantly Muslim Sandzak region, is actively confronting budget issues, encouraging religious conciliation, and seeking the attention of the government in Belgrade. The city's dueling Islamic communities over the past few months have observed a tense truce, minimizing violent clashes and seeking to consolidate their constituencies. Recent clash between the opposition Bosniak coalition and municipal authorities illustrates that conciliation and rule of law remain elusive objectives, however. End Summary.

Energetic Mayor Takes on Budget Crisis

2. (SBU) Speaking to visiting Embassies on January 13, Novi Pazar Mayor Mirsad Djerlek, a member of the Sandzak Democratic Party (SDP), touted his efforts to bring the city budget under control and develop an industrial park that could soften the blow of the global economic crisis. Noting that salaries of city employees were the second highest in Serbia (behind only those in Vranje), Djerlek was relieved that his plan for 10% cut in public salaries had won grudging support from the local assembly. He was also looking to reduce the number of city employees by 10% but said this initiative would be introduced only once a planned industrial park had opened. Djerlek explained that he was pushing to create jobs through the development of an industrial park by acquiring the land holdings of the bankrupt companies Raska and Polivic, a 30 hectare plot of land valued at about 29 million Euros. This plan was supported by Social Policy and Labor Minister Rasim Ljajic, who is also Sandzak Democratic Party (SDP) President and Djerlek's political benefactor. Djerlek was hopeful that the Economy Ministry would finance the city's acquisition of the property. He told us Economy Minister Mladjan Dinkic (G-17 Plus) was aware of the plan and his team had provided some assistance in dealing with technical issues.

Dueling Clerics Stand Down for Now

3. (SBU) Djerlek was confident that Novi Pazar's rival Islamic communities would be willing to forgo violent clashes with mediation from the mayor's office. Djerlek pointed to his role in mediating a dispute over finding public venues for both rival communities to welcome pilgrims who participated in the haj. Representatives of the Meshihat of the Islamic Community in Serbia (led by Mufti Zukorlic) shared Djerlek's assessment. Deputy mufti Resad ef. Plojovic, president Hajro ef. Tutic, and spokesperson Sead ef. Sacirovic told us that the levels of tension between the two communities had steadied and cooperation with local police had

improved, something which would have been unthinkable a year ago. Tutic said that the departure of former Novi Pazar mayor, SDA leader, and current Minister without Portfolio Sulejman Ugljanin from the local scene was a positive development. Tutic highlighted continued difficulties with Belgrade ministries, citing an ongoing problem with the Education Ministry regarding free religious instruction and enduring corruption by judges loyal to Ugljanin.

14. (SBU) Zukorlic's rival, Reis Zilkic of the Belgrade-based Islamic Community of Serbia, said there had been some progress in reconciliation, crediting his non-political approach to outstanding issues, which he said was distinct from that of Zukorlic. Zilkic condemned the Zukorlic-organized demonstrations on January 11 expressing solidarity with Hamas, arguing that religion should not be politicized in such fashion. He added that the economic crisis had resulted in a noticeable downturn in donations, which could impede his efforts to establish an office in Belgrade. In an apparent effort to boost his own profile in Belgrade, Zilkic asked us to facilitate a meeting between him and Ljajic.

Local Unrest Continues

16. (SBU) The relative calm that all parties highlighted in their conversations with us was broken on January 17 when representatives of Ugljanin's Party of Democratic Action (SDA) retook by force a municipal office that city (SDP) authorities had seized the previous day. In the shootout that ensued, one SDA member was wounded by gunfire in what an SDA spokesman claimed was an assassination attempt ordered by Ljajic against Ugljanin. Ljajic and Ugljanin met with Prime Minister Cvetkovic on January 19; during the meeting, Ljajic reportedly demanded the firing of Novi Pazar police officials

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who failed to stop the altercation, as well as the "re-defining" of relations of parties within the ruling coalition, widely interpreted as a threat to withdraw the SDP's members from the ruling coalition.

Comment

17. (SBU) Novi Pazar continues to face a challenging economic crisis with a young mayor who thus far appears ready to make the tough decisions needed to break with the past and implement much-needed reforms. The latest flare-up between SDA and SDP demonstrates that there is a long way to go and that the troubled relationship between the two Bosniak parties, and the feuding Islamic communities behind them, remains a powder keg. The Ambassador this week will host an event to raise awareness among the diplomatic and NGO community of Sandzak's persistent problems. While aid and investment are on the wish-list of the city's leaders, developing the will to crack down on corruption and smuggling, promoting religious tolerance, and upholding the rule of law continue to be crucial for Novi Pazar's future stability. End Comment.

MUNTER